

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

Point of Contact:	Brian G. Karst	RSSD: (For Bank Holding Companies)	2399119
UST Sequence Number:	363	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	9,294,000	FDIC Certificate Number: (For Depository Institutions)	34125
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Louisville
Date Repaid ¹ :	N/A	State:	Kentucky

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

The additional capital allowed the bank to keep lending when it would have had to reduce its size without the funds. The bank originated approximately \$100 million in loans in 2010

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Although the bank makes all types of loans, most mortgage loans are sold on the secondary market, so the funds were primarily used to support commercial loans, commercial real estate loans and small business loans.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

☒ **Increase securities purchased (ABS, MBS, etc.).**

As a direct result of the CPP capital, the bank immediately purchased approximately \$60 million in securities.

☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

We added substantial reserves for non-performing assets in 2010, \$3.8 million in loan loss provisions.

☒ **Reduce borrowings.**

We have reduced our borrowings by 42% during 2010

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

☒ **Increase charge-offs.**

The bank increased charge-offs from approximately \$400,000 in 2009 to \$2.4 million in 2010.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

None

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Initially funds were used to invest in securities, which boosted the bank's earnings. Subsequent to that, the bank was able to make more loans that it would have without the CPP funds. The bank was starting to reduce its size and the CPP funds allowed the bank to grown and better serve our community.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

FCB Bancorp, Inc.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

None